(b) whether it is also a fact that a number of dealers of kerosene oil are also indulging in the adulteration and selling it at a higher rate in comparison to the rates prescribed by Government and if so, what is the number of such dealers detected during the last two years and the action taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) and (b) No, Sir. However some unscrupulous dealers indulge in adulteration of petrol/ diesel due to huge price difference between petrol/diesel and other adulterants available in the market like kerosene, solvents etc., and also the easy miscibility of adulterants with petrol/diesel. During the last two years penal action has been taken against 14 Retail Outlets (ROs) for adulteration. Government has not received any complaint of higher rate being charged by the PDS Kerosene Dealers in Delhi. PDS Kerosene is being sold directly under the supervision of State Government. Government has not received any complaint regarding its diversion for adulteration. Anti Adulteration Cell (AAC) under this Ministry and Oil Marketing Companies inspect and take action against the errant dealers under the dealership agreement and/or Marketing Discipline Guidelines.

Oil PSUs' agreement with Reliance for retailing

77. SHRI N.R. DASARI:

SHRI V.V RAGHAVAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Public Sector Oil Companies are marketing Reliance Industries' Petroleum Products also through their retail outlet network; and

(b) if so, the details of the agreement made in this regard and how the public sector oil companies are benefitted by this agreement?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) and (b) Public Sector Oil Companies i.e. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have entered into bilateral product offtake agreements with Reliance Industries Limited (RIL) valid from 01.04.2002 to 31.03.2004 for upliftment of LPG, MS, HSD&SKO. IBP has no direct

agreement with Reliance for uplifting their product. IBP's quantities are covered under the bilateral agreement between IOCL and RIL. The above agreement has enabled Public Sector Oil Companies to meet entire domestic demand of petroleum products which includes the Retail Outlet demand, out of indigenous production only which otherwise would have been imported.

Passing of subsidies to Oil PSUs

78. SHRI V.V. RAGHAVAN:

SHRI N.R. DASARI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil firms have been asked to bear the burden of subsidy on LPG and kerosene; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) PDS Kerosene and Domestic LPG are subsidized products. Considering that these products' are domestic fuels of mass consumption, the Government has decided that the Oil Marketing Companies will not increase their selling prices during 2003-04. As a result, in addition to the Government subsidy available on these products, the public sector oil and gas companies are expected to absorb/share under-recoveries estimated to be around Rs.8200 crore during the year 2003-04.

Splitting of IOC

79. SHRI V.V. RAGHAVAN:

SHRI N.R. DASARI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering a proposal to split the Indian Oil Corporation (IOC) into three separate entities; and

(b) if so, the details thereof and the reasons therefore?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) While considering the judgement of the Supreme Court dated 16.9.2003 on HPCL & BPCL, the Government have decided to pursue the following three options simultaneously: